

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)

Street Address

City

State

ZIP Code

Accountant Signature

*Siegfried Crandall P.C.*

Date

*Township of Orangeville*  
*Barry County, Michigan*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2005*

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## CONTENTS

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Page

### INDEPENDENT AUDITORS' REPORT

#### BASIC FINANCIAL STATEMENTS

##### Government-wide financial statements:

Statement of net assets	5
Statement of activities	6

##### Fund financial statements:

Balance sheet - governmental funds	7
Statement of revenues, expenditures, and changes in fund balances - governmental funds	8 - 9

Notes to financial statements	10 - 16
-------------------------------	---------

#### REQUIRED SUPPLEMENTARY INFORMATION

##### Budgetary comparison schedules:

General Fund	17 - 18
Fire Equipment Fund	19
Streets Extra Voted Fund	20
Building Fund	21

## INDEPENDENT AUDITORS' REPORT

**Members of the Township Board  
Township of Orangeville, Michigan**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Township of Orangeville, Michigan, as of March 31, 2005, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of the Township of Orangeville, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly and in all material respects, the respective financial position of the governmental activities and each major fund of the Township of Orangeville, Michigan, as of March 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 14, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of April 1, 2004.

The budgetary comparison information, on pages 17 through 21, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

**Members of the Township Board  
Township of Orangeville, Michigan  
Page 2**

**The Township of Orangeville, Michigan has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.**

**Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Orangeville, Michigan's, basic financial statements. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.**

*Siegfried Crandall P.C.*

**October 20, 2005**

## **BASIC FINANCIAL STATEMENTS**

**Township of Orangeville**  
**STATEMENT OF NET ASSETS**  
*March 31, 2005*

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	<u><b>Governmental activities</b></u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,088,522
Receivables (net)	<u>80,339</u>
Total current assets	1,168,861
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	<u>347,797</u>
Total assets	<u>1,516,658</u>
<b>LIABILITIES</b>	
Current liabilities - payables	<u>65,208</u>
<b>NET ASSETS</b>	
Invested in capital assets	347,797
Restricted for highways and streets	187,821
Unrestricted	<u>915,832</u>
Total net assets	<u>\$ 1,451,450</u>

*See notes to financial statements*

**Township of Orangeville**  
**STATEMENT OF ACTIVITIES**  
Year ended March 31, 2005

		<u>Program revenues</u>		<u>Net (expenses)</u>
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>revenues and changes in net assets</u>
<b>Functions/Programs</b>				
Governmental activities:				
Legislative	\$ 2,975	\$ -	\$ -	\$ (2,975)
General government	167,196	11,483	4,414	(151,299)
Public safety	94,768	-	1,546	(93,222)
Public works	130,509	10,417	-	(120,092)
Health and welfare	6,000	-	-	(6,000)
Community and economic development	3,294	-	-	(3,294)
Culture and recreation	<u>2,182</u>	<u>-</u>	<u>-</u>	<u>(2,182)</u>
Total governmental activities	<u>\$ 406,924</u>	<u>\$ 21,900</u>	<u>\$ 5,960</u>	<u>(379,064)</u>
General revenues:				
Taxes				265,272
State grants				222,463
Investment income				<u>5,045</u>
Total general revenues				<u>492,780</u>
Change in net assets				113,716
Net assets - beginning				<u>1,337,734</u>
Net assets - ending				<u>\$ 1,451,450</u>

See notes to financial statements

**Township of Orangeville**  
**BALANCE SHEET - governmental funds**  
 March 31, 2005

	<u>General</u>	<u>Fire Equipment</u>	<u>Streets Extra Voted</u>
<b>ASSETS</b>			
Cash	\$ 440,284	\$ 93,030	\$ 176,982
Receivables	<u>69,500</u>	<u>-</u>	<u>10,839</u>
Total assets	<u>\$ 509,784</u>	<u>\$ 93,030</u>	<u>\$ 187,821</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Payables	\$ 65,208	\$ -	\$ -
Deferred revenue	<u>20,206</u>	<u>-</u>	<u>10,839</u>
Total liabilities	85,414	-	10,839
Fund balances:			
Unreserved, undesignated	<u>424,370</u>	<u>93,030</u>	<u>176,982</u>
Total liabilities and fund balances	<u>\$ 509,784</u>	<u>\$ 93,030</u>	<u>\$ 187,821</u>

Amounts reported for *governmental activities* in the statement of net assets (page 5) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds.

Certain assets are not available financial resources in the current period and, therefore, are reported as deferred revenue in the funds.

Net assets of *governmental activities*

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<u><i>Building</i></u>	<u><i>Total governmental funds</i></u>
\$ 378,226	\$ 1,088,522
<u>-</u>	<u>80,339</u>
<u>\$ 378,226</u>	<u>\$ 1,168,861</u>
\$ -	\$ 65,208
<u>-</u>	<u>31,045</u>
-	<u>96,253</u>
<u>378,226</u>	1,072,608
<u>\$ 378,226</u>	

347,797

31,045

\$ 1,451,450

See notes to financial statements

**Township of Orangeville****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
governmental funds**

Year ended March 31, 2005

	<u>General</u>	<u>Fire Equipment</u>	<u>Streets Extra Voted</u>
<b>REVENUES</b>			
Taxes	\$ 127,538	\$ -	\$ 140,011
State grants	226,877	-	-
Charges for services	4,100	-	-
Interest and rentals	5,045	-	-
Other	23,032	31	-
	<u>386,592</u>	<u>31</u>	<u>140,011</u>
Total revenues			
	<u>386,592</u>	<u>31</u>	<u>140,011</u>
<b>EXPENDITURES</b>			
Legislative	2,975	-	-
General government	110,366	-	-
Public safety	61,994	-	-
Public works	77,253	-	102,166
Health and welfare	6,000	-	-
Community and economic development	3,294	-	-
Culture and recreation	3,826	-	-
Capital outlay	61,701	-	-
	<u>327,409</u>	<u>-</u>	<u>102,166</u>
Total expenditures			
	<u>327,409</u>	<u>-</u>	<u>102,166</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>59,183</u>	<u>31</u>	<u>37,845</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	184,200	50,000	-
Transfers out	(150,000)	-	(184,200)
	<u>34,200</u>	<u>50,000</u>	<u>(184,200)</u>
Total other sources (uses)			
	<u>34,200</u>	<u>50,000</u>	<u>(184,200)</u>
<b>NET CHANGE IN FUND BALANCES</b>	93,383	50,031	(146,355)
<b>FUND BALANCES - BEGINNING</b>	<u>330,987</u>	<u>42,999</u>	<u>323,337</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 424,370</u>	<u>\$ 93,030</u>	<u>\$ 176,982</u>

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<b><i>Building</i></b>	<b><i>Total governmental funds</i></b>
\$ -	\$ 267,549
-	226,877
-	4,100
-	5,045
-	23,063
-	526,634
-	2,975
-	110,366
-	61,994
-	179,419
-	6,000
-	3,294
-	3,826
-	61,701
-	429,575
-	97,059
100,000	334,200
-	(334,200)
100,000	-
100,000	97,059
278,226	975,549
<u>\$ 378,226</u>	<u>\$ 1,072,608</u>

See notes to financial statements

***Township of Orangeville***

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - *governmental funds* (Continued)**

*Year ended March 31, 2005*

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	<b><i>Total governmental funds</i></b>
	<hr/>
Net change in fund balances - total governmental funds	\$ 97,059
Amounts reported for <i>governmental activities</i> in the statement of activities (Page 6) are different because:	
Capital assets:	
Capital outlay	53,347
Provision for depreciation expense	(30,696)
Change in other assets/liabilities:	
Decrease in deferred revenue	<hr/> (5,994)
Change in net assets of <i>governmental activities</i>	<hr/> <b>\$ 113,716</b> <hr/>

*See notes to financial statements*

**Township of Orangeville**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Township of Orangeville, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

*a) Reporting entity:*

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

*b) Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

*c) Measurement focus, basis of accounting, and financial statement presentation:*

The government-wide financial statements are reported using the economic resources, measurement focus, and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

**Township of Orangeville**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) *Measurement focus, basis of accounting, and financial statement presentation* (continued):

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Equipment Fund accounts for purchase of fire equipment; revenue is derived from transfers in from the General Fund.

The Streets Extra Voted Fund accounts for the financial resources used for the operational costs of the Township street functions. Revenues are primarily derived from property taxes.

The Building Fund accounts for the financial resources accumulated for the construction of a building in the future; revenue is derived from transfers in from the General Fund.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board (GASB).

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

d) *Assets, liabilities, and net assets or equity:*

i) *Bank deposits* - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

ii) *Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) *Capital assets* - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

**Township of Orangeville**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**d) Assets, liabilities, and net assets or equity (continued):**

**iii) Capital assets (continued) -**

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 - 60 years
Equipment	3 - 5 years
Vehicles	3 - 15 years
Roads	5 - 30 years

iv) *Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

v) *Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31, of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, the total levy is recognized as revenue in the current year.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

*Budgetary information* - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and activity. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year. Significant budget variations during the year ended March 31, 2005, were as follows:

<u>Fund</u>	<u>Function</u>	<u>Amended budget</u>	<u>Actual</u>
General	Capital outlay	<u>\$ 22,500</u>	<u>\$61,701</u>

**NOTE 3 - CASH:**

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2005, the Township has deposits with a carrying amount of \$1,088,522 and a bank balance of \$1,090,815. Of the bank balance, \$272,361 is covered by federal depository insurance and \$818,454 is uninsured.

**Township of Orangeville**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 4 - RECEIVABLES:**

Receivables as of year end for the Township's individual major funds are as follows:

<u>Fund</u>	<u>Property taxes</u>	<u>Special assessments</u>	<u>Inter- governmental</u>	<u>Total</u>
General	\$ 7,160	\$ 21,888	\$ 40,452	\$ 69,500
Streets Extra Voted	10,839	-	-	10,839
Totals	<u>\$ 17,999</u>	<u>\$ 21,888</u>	<u>\$ 40,452</u>	<u>\$ 80,339</u>

All receivables are due within one year and are considered fully collectible.

**NOTE 5 - CAPITAL ASSETS:**

Capital asset activity for the year ended March 31, 2005, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 299,990	\$ -	\$ -	\$ 299,990
Equipment and vehicles	554,856	4,436	-	559,292
Subtotal	<u>854,846</u>	<u>4,436</u>	<u>-</u>	<u>859,282</u>
Less accumulated depreciation for:				
Buildings and improvements	213,587	6,646	-	220,233
Equipment and vehicles	361,479	24,050	-	385,529
Subtotal	<u>575,066</u>	<u>30,696</u>	<u>-</u>	<u>605,762</u>
Total capital assets being depreciated (net)	279,780	(26,260)	-	253,520
Construction in progress	-	48,910	-	48,910
Land	45,367	-	-	45,367
Governmental activities capital assets, net	<u>\$ 325,147</u>	<u>\$ 22,650</u>	<u>\$ -</u>	<u>\$ 347,797</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 7,401
Public safety	<u>23,295</u>
Total governmental activities	<u>\$ 30,696</u>

**Township of Orangeville**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 6 - PAYABLES:**

Payables as of year end for the Township's individual funds are as follows:

	<u>Accounts</u>	<u>Payroll</u>	<u>Total</u>
General Fund	\$ 57,564	\$ 7,644	\$ 65,208

**NOTE 7 - DEFERRED REVENUE:**

Governmental funds report deferred revenue in connection with resources that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. As of the end of the current fiscal year, various components of deferred revenue are as follows, all of which are deferred due to availability:

Property taxes	\$ 17,999
Special assessments	<u>13,046</u>
	<u>\$ 31,045</u>

**NOTE 8 - INTERFUND TRANSFERS:**

A summary of interfund transfers for the year ended March 31, 2005, is as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Fund</u>	<u>Transfers out</u>
General	\$ 184,200	Extra Voted Roads	\$ 184,200
Fire Equipment	50,000		
Building	<u>100,000</u>		
	<u>150,000</u>	General	<u>150,000</u>
Total	\$ 334,200	Total	\$ 334,200

The transfer to the General Fund represents the return of unrestricted monies placed in the Streets Extra Voted Roads Fund in prior years. The transfers from the General Fund represent capital replacement reserves for fire protection services and township hall construction.

**NOTE 9 - RISK MANAGEMENT:**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**Township of Orangeville**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN:**

The Township provides pension benefits for substantially all of its full-time employees through a defined contribution plan. The plan covers all full-time employees (over 20 hours per week) and Township trustees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate from the date of employment. The Township contributes 9% of each qualified employee's base salary to the plan. The Township's contributions are fully vested immediately. The Township made the required contributions of \$2,216 for the year ended March 31, 2005.

The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

**NOTE 11 - JOINT VENTURES:**

*a) Ambulance service:*

The Township participates in Wayland Area Emergency Medical Services, Inc. (WAEMS), to provide ambulance service to its residents. Each participating local unit of government appoints two members to the WAEMS board. Membership does not convey an equity interest in the organization. Total expenditures under this arrangement for the year ended March 31, 2005, was \$6,000.

*b) Gun Lake Area Sewer Authority:*

The Township and three other local units of government participate in the Gun Lake Sewer Authority (the Authority). The supervisor of each local unit serves on the board of the Authority. The Authority was created to maintain, administer, and manage a sewage disposal system for the benefit of the member municipalities. Membership does not convey an equity interest in the Authority. During the year ended March 31, 2005, the Township was not required to make a contribution to the Authority.

**NOTE 12 - CONSTRUCTION COMMITMENT:**

The Township is in the process of constructing a new township hall. Total costs are expected to approximate \$665,000; of which, \$560,000 will be financed by local bank borrowings.

**NOTE 13 - OPENING FUND BALANCE RECLASSIFICATIONS:**

The Township reclassified the beginning of year fund balances of the following inactive special revenue funds into the beginning fund balance of the General Fund:

Township Improvement Fund	\$ 59,393
Budget Stabilization Fund	25,564
Cemetery Reserve Fund	<u>20,391</u>
Total reclassifications	<u>\$ 105,348</u>

***Township of Orangeville***  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 14 - CHANGE IN ACCOUNTING PRINCIPLES:**

Effective April 1, 2004, the Township implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, along with all related statements and interpretations. In connection with the implementation of this statement, the following adjustments to beginning net assets have been made to reflect the cumulative effect of this accounting change:

Net assets as previously reported	
General and special revenue funds	\$ 975,549
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	325,146
Certain assets are not considered available financial resources in the current period and, therefore, are reported as deferred revenue in the funds.	<u>37,039</u>
Net assets, as restated	<u>\$ 1,337,734</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Township of Orangeville**  
**BUDGETARY COMPARISON SCHEDULE - General Fund**  
Year ended March 31, 2005

	<b>Original budget</b>	<b>Amended budget</b>	<b>Actual</b>	<b>Variance favorable (unfavorable)</b>
<b>REVENUES</b>				
Taxes	\$ 112,180	\$ 112,180	\$ 127,538	\$ 15,358
State grants	210,800	210,800	226,877	16,077
Charges for services	3,000	3,000	4,100	1,100
Interest and rentals	9,000	9,000	5,045	(3,955)
Other:				
Special assessments	-	15,830	15,830	-
Miscellaneous	-	-	7,202	7,202
<b>Total revenues</b>	<b>334,980</b>	<b>350,810</b>	<b>386,592</b>	<b>35,782</b>
<b>EXPENDITURES</b>				
Legislative	2,300	2,900	2,975	(75)
General government:				
Supervisor	10,414	10,414	10,254	160
Election	6,350	6,350	6,819	(469)
Assessor	22,880	22,880	22,370	510
Clerk	16,780	16,780	16,341	439
Board of review	3,100	3,100	1,051	2,049
Treasurer	14,800	14,800	14,226	574
Hall and grounds	6,000	11,100	11,092	8
Cemetery	13,000	12,100	11,116	984
Other	28,750	33,750	17,097	16,653
<b>Total general government</b>	<b>122,074</b>	<b>131,274</b>	<b>110,366</b>	<b>20,908</b>
Public safety - fire	61,350	60,450	61,994	(1,544)
Public works:				
Highways and streets	76,541	76,541	55,290	21,251
Weed control	-	10,417	10,417	-
Street lights	2,200	2,200	1,911	289
Transfer station	7,325	7,925	9,635	(1,710)
<b>Total public works</b>	<b>86,066</b>	<b>97,083</b>	<b>77,253</b>	<b>19,830</b>
Health and welfare - ambulance	6,000	6,000	6,000	-

**Township of Orangeville**  
**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**  
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>EXPENDITURES (continued)</b>				
Community and economic development	\$ 3,000	\$ 3,000	\$ 3,294	\$ (294)
Recreation and culture - parks and recreation	4,670	4,670	3,826	844
Capital outlay	16,500	22,500	61,701	(39,201)
Total expenditures	298,960	324,877	327,409	468
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	36,020	25,933	59,183	33,250
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - Streets Extra Voted Fund	184,200	184,200	184,200	-
Transfer out:				
Fire Equipment Fund	(50,000)	(50,000)	(50,000)	-
Building Fund	(100,000)	(100,000)	(100,000)	-
Total transfers out	(150,000)	(150,000)	(150,000)	-
Total other financing sources	34,200	34,200	34,200	-
<b>NET CHANGE IN FUND BALANCES</b>	70,220	60,133	93,383	33,250
<b>FUND BALANCES - BEGINNING</b>	330,987	330,987	330,987	-
<b>FUND BALANCES - ENDING</b>	<u>\$ 401,207</u>	<u>\$ 391,120</u>	<u>\$ 424,370</u>	<u>\$ 33,250</u>

**Township of Orangeville****BUDGETARY COMPARISON SCHEDULE - Fire Equipment Fund**

Year ended March 31, 2005

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	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Other	\$ -	\$ -	\$ 31	\$ 31
<b>OTHER FINANCING SOURCES</b>				
Transfer in - General Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	50,000	50,000	50,031	31
<b>FUND BALANCES - BEGINNING</b>	<u>42,999</u>	<u>42,999</u>	<u>42,999</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 92,999</u>	<u>\$ 92,999</u>	<u>\$ 93,030</u>	<u>\$ 31</u>

**Township of Orangeville****BUDGETARY COMPARISON SCHEDULE - Streets Extra Voted**

Year ended March 31, 2005

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	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Property taxes	\$ 132,600	\$ 132,600	\$ 140,011	\$ 7,411
<b>EXPENDITURES</b>				
Public works - highways and streets	<u>150,000</u>	<u>150,000</u>	<u>102,166</u>	<u>47,834</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(17,400)	(17,400)	37,845	20,445
<b>OTHER FINANCING USES</b>				
Transfer out - General Fund	<u>(184,200)</u>	<u>(184,200)</u>	<u>(184,200)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(201,600)	(201,600)	(146,355)	55,245
<b>FUND BALANCES - BEGINNING</b>	<u>323,337</u>	<u>323,337</u>	<u>323,337</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 121,737</u>	<u>\$ 121,737</u>	<u>\$ 176,982</u>	<u>\$ 55,245</u>

**Township of Orangeville****BUDGETARY COMPARISON SCHEDULE - Building Fund**

Year ended March 31, 2005

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	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer in - General Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
<b>FUND BALANCES - BEGINNING</b>	<u>278,226</u>	<u>278,226</u>	<u>278,226</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 378,226</u>	<u>\$ 378,226</u>	<u>\$ 378,226</u>	<u>\$ -</u>